In the Specification

Please replace the paragraph at page 21, line 18 through page 22, line 4 with the following paragraph:

Referring to Fig. 8, an embodiment which increases the extended source performance includes a lenslet array 40 (in one embodiment cylindrical lenslets), placed between the condensing lens 70 and the multilevel phase element 11. The focal length of each lenslet 42 is F_m, and the distance between the lenslet array 40 and the multilevel phase element 11 is $Z_s + F_m$. Thus, Z_s is the distance between the imaged source 44 and the multilevel phase element 11. Each lenslet 42 focuses an image 44 of the extended source, S_c, at a distance F_m from the lenslet array 40. Each of these imaged sources 44 will be of physical dimensions, S_m, in the x-dimension, where $S_m = (F_m S_c/F_c)$ centered about the optical axis of the respective lenslet 42.

Please replace the paragraph at page 23, line 12 through page 24, line 2 with the following paragraph:

The last exponential term indicates that the period of the light distribution at the optimum Z distance is no longer equal to the period of the original phase grating. In effect, free-space propagation from a source 10' located a finite distance from the grating 11 results in a magnification. This magnification, M, is given by the equation:

$$M = 1 + \frac{Z}{Z_s}$$

Note that for a finite source distance, Z_s, the magnification factor is greater than one.

Amendments to the specification are indicated in the attached "Marked Up Version of Amendments" (page ii).